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## CONGRESSIONAL RECORD — HOUSE

December 2

come and the condition of the Treasury. In 1916, both Democratic and Republican platforms called for the return to the former practice of initiating appropriations bills in a single committee, so that waste and duplication in the public service could be avoided as much as possible.

Thus it was that in 1920 an impartial arbiter in the form of a single Committee on Appropriations, was again established, to effect retrenchment when necessary.

Indeed, during the ensuing decade, the Government enjoyed an average surplus of \$1 billion a year.

Alas, however, with the creation of the Reconstruction Finance Corporation in 1932, a new device to obtain funds from the Treasury without an appropriation was initiated. This was done by authorizing Government agencies to borrow and make expenditures without the benefit of the normal annual appropriations procedure. So it has been that in the ensuing 30 years, Congress has used this latter method—now called back-door spending—to finance many Government programs. More than \$150 billion of such borrowing from the Treasury has been authorized. Yet, the Constitution provides that no money shall be drawn from the Treasury except by an appropriation made by law.

Meanwhile, \$16 billion of such borrowings have already had to be cancelled because the agencies had expended money in a way not subject to repayment. More losses will have to be forgiven in the future. Meanwhile, right now, under various back-door spending authorizations, \$26 billion is available without any appropriation unless Congress rescinds existing authorizations.

Mr. Speaker, through back-door spending, the control over Federal spending has been abdicated by Congress. The only proven method of acting in a fiscally sound and responsible way is to return all financing of Government programs to the annual appropriations procedure. That is the way to cooperate with our new Chief Executive. Under this method, and with a single committee to help retrench when retrenchment is needed, the President can hope to meet his pledge of utmost thrift and frugality.

President Johnson has assured us he believes in the independence and integrity of the legislative branch, so let us be independent and not delegate our responsibilities to the executive branch, which is done under back-door spending authorization.

Let me emphasize that the guideline to national solvency and balanced budgets is in elimination of back-door spending and return to a single Appropriations Committee system.

In this connection, I would hope, Mr. Speaker, that President Lyndon Johnson will follow the advice of former President Eisenhower, who, in his farewell address to Congress, urged that no new borrowing authorizations be enacted.

This past year, we have almost closed the back door of the Treasury. Let us lock it. Mr. Speaker, in this and other ways, let us help our new Chief Executive meet his promises of stability of the

dollar and setting an example of prudence and economy.

I applaud President Johnson for his stated respect for the integrity of the legislative branch.

Are we worthy of that respect for our independence and integrity? Are we going to do our part and exercise our judgment as to practicing thrift and frugality with the taxpayers' money? Who would suggest that Lyndon Johnson, a onetime Member of this House, did not mean what he said? Surely both branches of Government can cooperate in this important matter by cutting non-essential expenditures and voting a substantial cut in taxes.

Mr. Speaker, I pledge my support for such a program.

*Cuba*

#### ACTION BY OAS OR FORM A PAN-AMERICAN NATO ORGANIZATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. ROGERS] is recognized for 5 minutes.

Mr. ROGERS of Florida. Mr. Speaker, tomorrow the Organization of American States will meet at the urgent request of the Government of Venezuela because of the attempted subversion of that Government by action of Communist Castro. We have had continuing reports of Communist actions against the Government of Venezuela which have culminated now in the discovery of tons of smuggled weapons and explosives to be used by the terrorists, which the Venezuelan Government says it has proof came from Communist Cuba. Venezuela will produce evidence that these arms came from Communist Cuba. On November 27, these pro-Castro terrorists kidnapped Col. James K. Chenault, deputy chief of the U.S. Army mission in Venezuela. An attempt was made to bomb the home of a naval officer of the mission.

Certainly the Government of the United States should strongly back the efforts of the Government of Venezuela to bring about complete economic isolation of Cuba and to take the necessary steps to prevent the export of Communist arms and munitions from the shores of Cuba. In fact, this Government in announced public statements is already committed to this policy.

It is obvious that the failure of the Organization of American States to take positive and effective action regarding Cuba has been because action by the Organization of American States is dependent upon almost total cooperation within the Organization itself. As a result we have seen action deferred, stymied, and watered down by the refusal of a few countries to be willing to do anything about Communist Cuba and, of course, our own failure to exert necessary leadership must be acknowledged as one of the contributing factors of this inaction.

If the Organization of American States does not formulate and take effective action to live up to its obligations to prevent the spread of communism in this hemisphere as a result of this urgent call by Venezuela, then the U.S. Government

should consider a NATO-type agreement with those nations of Central and South America who are willing to do something against the spread of communism in this hemisphere. We should move to form such a military alliance so that we may meet the situation of the spread of communism in this hemisphere with fast action. We should invite those nations who agree to participate in such an undertaking to an immediate conference to set up this NATO-type alliance.

Those who, for their own reasons, do not wish to take part, should not be pressured to join, since they would only be unwilling partners at best, and might in fact destroy the effectiveness of any military moves necessary. We have such an alliance in NATO and it has successfully met the threat of communism in Europe. Our Government tells us that we must be ready to fight communism alongside our NATO partners in Europe, or as we did in Korea, Lebanon, southeast Asia, and elsewhere all over the world. Surely the need to defend our own back door, Latin America, is of equal importance. In Europe and in southeast Asia our defense organizations are based on a willingness of a group of nations to join with us in a military alliance. We should take immediate steps to set up such an organization in Latin America.

To our sister nations in Latin America we should extend a warm invitation for mutual military protection. To those who do not accept, we should say that by your action you indicate you do not want U.S. military or economic aid and any such aid to these countries should be suspended.

While the defense of freedom is a world-wide problem, we must begin to treat our own hemisphere with more attention. The Organization of American States has not responded with the direct action that is needed in emergency situations. Only a mutually agreeable NATO-type organization can respond swiftly and decisively to military action, subversion, and Communist tactics. It has succeeded and proven its worth in Europe. Surely we can apply this experience to Latin America as a means to insure the continued freedom of this hemisphere.

#### THE ARNOLD ENGINEERING DEVELOPMENT CENTER REPORT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI], is recognized for 60 minutes.

Mr. LIBONATI. Mr. Speaker, on November 21 a congressional group comprising the gentleman from Michigan, Harold M. Ryan; the gentleman from Illinois, Kenneth Gray; the gentleman from Missouri, Richard Ichord; the gentleman from Florida, Edward J. Gurney; the gentleman from Texas, Bob Casey; the gentleman from New York, Otis G. Pike; the gentleman from Vermont, Robert T. Stafford; the gentleman from Illinois, Roland V. Libonati; and Herbert Lineberger, administrative assistant to the gentleman from North Carolina, Basil Whitener, also including our genial and considerate escort officers Col. Bruce

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However, if NASA, DOD and contractors continue to cooperate, communicate, and learn from the mistakes of the past, future losses can be kept to a minimum.

The United States cannot afford the luxury of a wasteful, poorly integrated space program. Careful co-ordination of the entire space effort must be accomplished.

I join in congratulations to the people of NASA, the DOD, the Centaur project managers, and the people of General Dynamics, Astronautics.

## COOPERATION WITH OUR NEW PRESIDENT

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Washington (Mr. PELLY) is recognized for 20 minutes.

Mr. PELLY. Mr. Speaker, like other Members of the House of Representatives, I listened to the address of President Lyndon B. Johnson to the joint session of the Congress on November 27, 1963.

Having assured the President of my desire to cooperate with him during this difficult period, I was especially anxious to hear his speech and to learn his program for the Nation. Especially, I wanted to listen to what he had to say with regard to keeping America strong economically, because I felt certain he would give assurance of maintaining military strength—which of course he did.

Many of us, Mr. Speaker, have been worried about huge planned Federal deficits and ever-mounting Government expenses to be added to the national debt and charged to future generations. Therefore, I am happy to say it was comforting to have President Johnson pledge that the expenditures of the Government will be administered, as he said, with the utmost thrift and frugality. The Government, he promised, would set an example of prudence and economy. He rededicated our Nation to the defense of the strength and stability of the dollar.

Mr. Speaker, this was good to hear. And equally, or even more so, it was gratifying to have President Johnson state his firm belief in the independence and integrity of the legislative branch of our Government, because I have long been disturbed at the ever-growing power of the executive branch at the expense of Congress.

The 32 years of President Johnson on Capitol Hill, as he said, have given him pride in the ability of the Congress to distill from our differences strong programs of national action and, furthermore, he expressed belief in the capacity of Congress, despite the divisions of opinion which characterize our Nation, to act wisely when the need arises.

Mr. Speaker, it is not for me or anyone other than the President to read between the lines of his speech, but I can comment and point out that the Constitution places responsibility over spending and taxes and the stability of the economy on the legislative branch. My assurance to the President of utmost

cooperation is not a pledge to support all New Frontier programs for spending the taxpayers' money when and if the President requests them. He knows that. He knows I have my job to do. But when it comes to helping our President obtain Federal Government thrift and frugality, or setting an example of prudence and economy, I will be cooperating completely.

In this connection, right now, who will say there is an end in sight of deficit spending? Who will say the cost of Government will not continue on an upward spiral? Who will say our Nation is not on a spending spree and that taxes are too high?

Sixty years ago, Government cost 2 percent of the income of the people. Today it takes 23 percent of the national income. Yet we are forced to spend borrowed money. For each family, the Government has spent \$5,100 we do not have, and this per capita debt is \$129 more in 1963 than it was in 1962.

The biggest domestic problem of President Johnson is that there are not enough job opportunities in America today to take care of our expanding population.

When I pledged my cooperation to him, I meant in helping to solve just such problems as unemployment.

The Kennedy administration had sought to cure unemployment, but its original plan did not succeed—as many of us had predicted. That plan was for accelerated expenditures for public works.

When it was obvious that stepped-up Government spending of money we did not have, for things we did not need, was failing to cure the unemployment problem, a new proposal was suggested, of a tax cut to stimulate business and buying power and thereby create prosperity and more jobs. No one that I know of has successfully argued against this latter proposal. Everyone has agreed that an incentive to industry to expand and make more job opportunities is essential. But there was and still is divergence of opinion as to the issue of accelerating Government spending.

This controversy over the economic benefits of private versus public spending was pointed up by one of our colleagues not long ago, who opposed an administration project for construction in his own congressional district. This was the Department of the Interior's proposed Trotter Shoals Dam on the Savannah River in Georgia. The cost of this project was estimated to be \$78 million and it would remove 22,000 acres of land from the tax roles. Only a few permanent jobs would result.

On the other hand, it has been shown that if the Government does not build this dam, a private industry, the Mead Paper Co., will construct a \$40 million plant on the site. Some 1,400 workers would be needed to build this plant and permanent jobs for 650 persons would be provided at the mill, and 450,000 cords of pulpwood, worth \$9 million, would be used annually. This would employ an additional 2,500 persons.

Meanwhile, if the private paper company is permitted to go ahead, the Duke

Power Co. will build a steampant at this same site at a cost of \$210 million. On this project, more than 1,000 persons would be employed during construction and 135 permanent jobs would be created. Moreover, this private power company would buy \$24 million worth of coal a year to produce 11 billion kilowatt-hours annually. The Federal dam would only produce 471 million kilowatt-hours.

In addition to all this, the Mead paper plant would pay \$3.8 million a year in local, State, and Federal taxes. The Duke Power Co. would pay \$13 million in annual taxes.

So those, who, like myself, favor private enterprise expansion over public spending wherever possible, have a real example to use in this case. But, in general, my point is that new bridges, post offices and public projects of this nature, necessary and desirable though they may be, do not create permanent new jobs.

However, getting back to our new President, Lyndon Johnson, who so eloquently asked for our help. Mr. Speaker, I think history and experience clearly indicate wherein the Congress can provide economic cooperation. After all, it is the Congress that votes the new programs and provides the appropriations. The legislative branch, if it intends to cooperate and restore fiscal responsibility, must hold the line and control spending itself. This is the way to help the President. This could generate prosperity and public confidence.

Furthermore, the answer to congressional control over Federal finances, as has been clearly shown, is placing the responsibility for all appropriations in one committee of the House and one committee of the Senate.

Originally, when Congress was organized in 1789, all House appropriations and all taxes were under the jurisdiction of a single committee—the House Committee on Ways and Means. For 76 years, this worked well, because that committee could make the suit, as it were, to fit the cloth. It wrote the spending bills and then wrote a tax program to provide the necessary funds.

By 1865, however, the workload had become too burdensome for a single committee and a new Committee on Appropriations was established, making one committee to handle taxes and one to handle appropriations. This retained the advantage of one overall House committee on spending. But in the years 1880-85, unfortunately, certain House committees, including the Committee on Agriculture, were given jurisdiction over their own appropriations, and from then on, Government spending in relation to its revenue got out of hand. From then on until 1920, a net national deficit of almost \$22 billion resulted. A billion dollars in those years, relatively speaking, would have been at least 10 times what it is now. It became quite obvious that the Congress was unable to control its own spending, and both major political parties recognized this and the need to return jurisdiction over all appropriations to a single committee which could weigh the urgency and need of programs against the amount of Federal in-